# CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

June 16, 2000

# S. 356 Wellton-Mohawk Transfer Act

As cleared by the Congress on June 7, 2000

## **SUMMARY**

S. 356 would authorize the appropriation of such sums as are necessary to implement a memorandum of agreement between the Bureau of Reclamation (the bureau) and the Wellton-Mohawk Irrigation and Drainage District (the district) regarding transfer of the Gila Irrigation Project from the federal government to the district. The act would give each party the discretion to exchange with each other, or purchase at fair market value, lands relating to the project.

The act would affect direct spending by increasing offsetting receipts from the sale of federal land. CBO estimates that the district would pay a minimum of about \$2 million in fiscal year 2002 for certain federally owned lands.

#### PAY-AS-YOU-GO CONSIDERATIONS

CBO's estimate of the impact of S. 356 on direct spending is shown in the following table. The change in outlays resulting from this legislation would fall within budget function 300 (natural resources and environment).

		By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Changes in Outlays Changes in Receipts	0	0	-2	0	0 Not	0 t applica	0 lble	0	0	0	0	

#### **BASIS OF ESTIMATE**

S. 356 would give the district and the bureau the discretion to exchange, or purchase at fair market value, lands relating to the project. Based on information provided by the bureau, CBO estimates that the district would pay a minimum of about \$2 million in fiscal year 2002 for certain lands. That payment would be recorded as an offsetting receipt, a credit against direct spending. Based on information provided by the bureau, CBO estimates that the government would not forgo any income by completing these transactions.

Under the Balanced Budget Act of 1997, proceeds from nonroutine asset sales (sales that are not authorized under current law) may be counted for pay-as-you-go purposes only if the sale would entail no financial cost to the government. Based on information provided by the bureau, CBO estimates that the sale proceeds would exceed the present value of any net receipts currently projected to accrue from these lands; therefore, selling these assets would result in a net savings for pay-as-you-go purposes.

**ESTIMATE PREPARED BY:** Rachel Applebaum

### **ESTIMATE APPROVED BY:**

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